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| APPLICATION NO. | FILING DATE | FIRST NAMED INVENTOR | ATTORNEY DOCKET NO. | CONFIRMATION NO. |
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| 09/815,434      | 03/22/2001  | Philip D. Lapsley    | 8514-57 (STA-28)    | 8767             |

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MARGER JOHNSON & MCCOLLOM PC  
1030 SW MORRISON STREET  
PORTLAND, OR 97205

EXAMINER

HAYES, JOHN W

| ART UNIT | PAPER NUMBER |
|----------|--------------|
| 3621     |              |

DATE MAILED: 04/28/2003

Please find below and/or attached an Office communication concerning this application or proceeding.

|                              |                 |               |
|------------------------------|-----------------|---------------|
| <b>Office Action Summary</b> | Application No. | Applicant(s)  |
|                              | 09/815,434      | LAPSLY ET AL. |
|                              | Examiner        | Art Unit      |
|                              | John W Hayes    | 3621          |

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

#### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

#### Status

1) Responsive to communication(s) filed on 27 February 2003.

2a) This action is **FINAL**.                            2b) This action is non-final.

3) Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

4) Claim(s) 1-15 and 26-30 is/are pending in the application.

4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.

5) Claim(s) \_\_\_\_\_ is/are allowed.

6) Claim(s) 1-15 and 26-30 is/are rejected.

7) Claim(s) \_\_\_\_\_ is/are objected to.

8) Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

#### Application Papers

9) The specification is objected to by the Examiner.

10) The drawing(s) filed on \_\_\_\_\_ is/are: a) accepted or b) objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

11) The proposed drawing correction filed on 14 May 2002 is: a) approved b) disapproved by the Examiner.

If approved, corrected drawings are required in reply to this Office action.

12) The oath or declaration is objected to by the Examiner.

#### Priority under 35 U.S.C. §§ 119 and 120

13) Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a) All b) Some \* c) None of:

1. Certified copies of the priority documents have been received.

2. Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.

3. Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

14) Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application).

a)  The translation of the foreign language provisional application has been received.

15) Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

#### Attachment(s)

1) Notice of References Cited (PTO-892)

2) Notice of Draftsperson's Patent Drawing Review (PTO-948)

3) Information Disclosure Statement(s) (PTO-1449) Paper No(s) \_\_\_\_\_

4) Interview Summary (PTO-413) Paper No(s) \_\_\_\_\_

5) Notice of Informal Patent Application (PTO-152)

6) Other: \_\_\_\_\_

## DETAILED ACTION

### ***Status of Claims***

1. Applicant has amended claims 1 and 8 and added new claims 26-30 in the amendment filed 27 February 2003. Applicant has previously canceled claims 16-25 in the preliminary amendment filed 14 May 2002, thus claims 1-15 and 26-30 remain pending.

### ***Response to Arguments***

2. Applicant's arguments filed 27 February 2003 have been fully considered but they are not persuasive.

With respect to claim 1, applicant contends that the instant invention differs from Gatto since the instant invention "forwards the payor financial account to the payee" and further that the payee forwards the transaction to a financial transaction processor. Examiner submits that Gatto discloses forwarding the payor financial account to the payee since Gatto discloses that the invention may be used in connection with a POS terminals such as supermarkets or retailer checkouts, gas pumps, coupon dispensers, gaming devices, lottery machines, and check cashing machines wherein the user enters and forward information to the payee terminal such as how the transaction will be paid for and the financial account to be used for payment such as ATM card or VISA (Col. 8, lines 40-55).

Applicant further contends that Gatto fails to disclose a registration step wherein the user submits a registration biometric sample. Examiner respectfully disagrees and notes that Gatto discloses the ability to verify the identity of the user by comparing a submitted biometric sample such as a voice sample or fingerprint sample with account information associated with the identified user. Furthermore, Gatto discloses that the user may be identified using biometrics where a biometric sample such as a fingerprint or voiceprint is compared to previously stored identification information that was registered at the time of account activation (Col. 9 line 52-Col. 10 line 10). Examiner submits that it would be impossible to verify a user's biometric sample if the user had not already registered a biometric sample to enable future comparisons.

With respect to claim 26, applicant further asserts that Gatto fails to disclose the concept of the payee registering. Examiner agrees with this assertion as this was stated in the previous office action. Examiner applied the reference to Colbert to provide this teaching. Applicant's arguments are not persuasive since they do not specifically point out how this feature in the claim is patentably distinguishable from the Colbert reference. In response to applicant's arguments against the references individually, one cannot show nonobviousness by attacking references individually where the rejections are based on combinations of references. See *In re Keller*, 642 F.2d 413, 208 USPQ 871 (CCPA 1981); *In re Merck & Co.*, 800 F.2d 1091, 231 USPQ 375 (Fed. Cir. 1986).

Applicant also contends that none of the references teach forwarding the financial transaction to a financial transaction processor by the payee to authorize payment. Examiner respectfully disagrees and notes that Merjanian discloses a method of commerce employing the use of biometrics wherein a point of purchase terminal together with a biometric reader is used to carry out a transaction in locations such as retail stores, restaurants and resorts. Merjanian discloses that cards such as VISA, MasterCard and American Express can be presented to carry out the transaction (Col. 10, lines 8-55) where the merchant would forward the transaction to a financial transaction processor such as VISA or American Express (Col. 12, lines 28-43). Examiner further submits that it is well known for payees such as merchants to forward transaction details to financial transaction processors such as VISA or MasterCard in order to authorize the transaction and ensure that there are sufficient funds to complete the transactions.

#### ***Drawings***

3. The proposed drawing correction and/or the proposed substitute sheets of drawings, filed on 14 May 2002 have been approved. A proper drawing correction or corrected drawings are required in reply to the Office action to avoid abandonment of the application. The correction to the drawings will not be held in abeyance.

#### ***Terminal Disclaimer***

4. The terminal disclaimer filed on 14 May 2002 disclaiming the terminal portion of any patent granted on this application which would extend beyond the expiration date of U.S. Patent No. 6,269,348 B1 has been reviewed and is accepted. The terminal disclaimer has been recorded.

***Claim Rejections - 35 USC § 103***

5. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

6. Claims 1-7 and 9-15 are rejected under 35 U.S.C. 103(a) as being unpatentable over Gatto, U.S.

Patent No. 5,546,523 in view of Merjanian, U.S. Patent No. 6,028,950.

As per Claims 1-7 and 9-15, Gatto discloses a method for tokenless authorization of an electronic payment between a payor and a payee using an electronic third party identicator and at least one payor bid biometric sample, comprising the steps of :

- a payor registration step, wherein the payor registers with an electronic third party identicator at least one registration biometric sample and a PIN, and at least one payor financial account identifier (Col. 2, lines 55-60 and 63-66; Col. 3, lines 55-56; Col. 4, lines 5-11 and 48-52; Col. 5, lines 43-48; Col. 6, lines 1-11);

- a payor biometric sample collection step, wherein at least one payor bid biometric sample is obtained from the payor's person (Col. 6, lines 1-11);

- at least one transmission step, wherein the payor bid biometric sample is forwarded to the electronic identicator (Col. 6, lines 1-11; Col. 10, lines 1-8);

- a payor identification step, wherein the electronic identicator compares the payor bid biometric sample with the at least one registered biometric sample for producing either a successful or failed identification of the payor (Col. 6, lines 1-11; Col. 9 line 65-Col. 10 line 11);

- an identification response step, wherein upon successful identification of the payor, the electronic identifier electronically forwards at least one payor account identifier to the payee point of sale equipment (Col. 9, lines 10-18; Col. 8, lines 40-45);
- a transaction execution step, wherein an electronic financial transaction is formed between the payor and the payee, comprising a transaction amount and a payor financial account identifier (Col. 3, lines 25-32; Col. 4, lines 5-10; Col. 5, lines 43-48; Col. 9, lines 5-18);
- selecting by the payor the type of financial account to be debited such as a credit or debit account (Col. 8, lines 50-55; Col. 9, lines 5-18);
- an approval step wherein the transaction amount is displayed to the payor and the payor indicates acceptance of the transaction (Col. 2, lines 25-33; Col. 3, lines 25-30; Col. 4, lines 40-46; Col. 6, lines 60-65);
- wherein upon successful identification of the payor and payee, a biometric based authorization of an electronic payment is given to transfer funds from the payor's account to a payee's financial account (Col. 9, lines 5-18; Col. 10, lines 1-8 and 36-46).

Gatto further fails to explicitly disclose forwarding the financial transaction to a financial transaction processor for authorization. Merjanian discloses a biometrically controlled transaction and teaches forwarding the transaction to a financial transaction processor such as VISA or American Express for processing. It would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify the method of Gatto and forward the transaction to a financial transaction processor such as VISA or a bank in order to carry out the transaction as is commonly known in the financial community.

7. Claims 26-30 and 8 are rejected under 35 U.S.C. 103(a) as being unpatentable over Gatto, U.S. Patent No. 5,546,523 and Merjanian, U.S. Patent No. 6,028,950 as applied above and further in view of Colbert, U.S. Patent No. 5,485,510.

As per Claims 26-28 and 8, Gatto further discloses the identification of a payee (Col. 5, lines 43-48; Col. 9, lines 5-18; Col. 10, lines 36-46) and an identification response step, wherein upon successful identification of the payor, the electronic identicator electronically forwards at least one payor account identifier to the payee point of sale equipment (Col. 9, lines 10-18; Col. 8, lines 40-45), however, fails to specifically disclose that the payee registers identification data with electronic identicator and further a payee identification step wherein the payee's bid identification data is compared with registered identification data. Colbert discloses a secure credit authorization and teaches the use of identification registration data for a payee (Col. 1, lines 55-60; Col. 2, lines 23-25) and comparing this data with the payee identification data to authorize the transaction (Col. 2, lines 40-45). It would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify the method of Gatto and include a step of identifying the payee as well as the payor in order to simplify the billing process as suggested by Colbert.

As per Claims 29-30, Gatto discloses a method for tokenless authorization of an electronic payment between a payor and a payee using an electronic third party identicator and at least one payor bid biometric sample, comprising the steps of :

- a payor registration step, wherein the payor registers with an electronic third party identicator at least one registration biometric sample and a PIN, and at least one payor financial account identifier (Col. 2, lines 55-60 and 63-66; Col. 3, lines 55-56; Col. 4, lines 5-11 and 48-52; Col. 5, lines 43-48; Col. 6, lines 1-11);
- a payor biometric sample collection step, wherein at least one payor bid biometric sample is obtained from the payor's person (Col. 6, lines 1-11);
- at least one transmission step, wherein the payor bid biometric sample is forwarded to the electronic identicator (Col. 6, lines 1-11; Col. 10, lines 1-8);
- a payor identification step, wherein the electronic identicator compares the payor bid biometric sample with the at least one registered biometric sample for producing either a successful or failed identification of the payor (Col. 6, lines 1-11; Col. 9 line 65-Col. 10 line 11);

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- an identification response step, wherein upon successful identification of the payor, the electronic identifier electronically forwards at least one payor account identifier to the payee point of sale equipment (Col. 9, lines 10-18; Col. 8, lines 40-45);
- a transaction execution step, wherein an electronic financial transaction is formed between the payor and the payee, comprising a transaction amount and a payor financial account identifier (Col. 3, lines 25-32; Col. 4, lines 5-10; Col. 5, lines 43-48; Col. 9, lines 5-18);
- selecting by the payor the type of financial account to be debited such as a credit or debit account (Col. 8, lines 50-55; Col. 9, lines 5-18);
- an approval step wherein the transaction amount is displayed to the payor and the payor indicates acceptance of the transaction (Col. 2, lines 25-33; Col. 3, lines 25-30; Col. 4, lines 40-46; Col. 6, lines 60-65);
- wherein upon successful identification of the payor and payee, a biometric based authorization of an electronic payment is given to transfer funds from the payor's account to a payee's financial account (Col. 9, lines 5-18; Col. 10, lines 1-8 and 36-46).

Gatto further discloses the identification of a payee (Col. 5, lines 43-48; Col. 9, lines 5-18; Col. 10, lines 36-46), however, fails to specifically disclose that the payee registers identification data with electronic identifier and further a payee identification step wherein the payee's bid identification data is compared with registered identification data. Colbert discloses a secure credit authorization and teaches the use of identification registration data for a payee (Col. 1, lines 55-60; Col. 2, lines 23-25) and comparing this data with the payee identification data to authorize the transaction (Col. 2, lines 40-45). It would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify the method of Gatto and include a step of identifying the payee as well as the payor in order to simplify the billing process as suggested by Colbert.

Gatto further fails to explicitly disclose forwarding the financial transaction to a financial transaction processor for authorization. Merjanian discloses a biometrically controlled transaction and teaches forwarding the transaction to a financial transaction processor such as VISA or American Express for processing. It would have been obvious to one of ordinary skill in the art at the time of

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applicant's invention to modify the method of Gatto and forward the transaction to a financial transaction processor such as VISA or a bank in order to carry out the transaction as is commonly known in the financial community.

***Conclusion***

8. Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

9. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

- Bocinsky, Jr. discloses a secure electronic funds transfer method wherein voice prints of the customer are verified followed by an authorization by a remote transaction processor
- Checchio discloses a method and apparatus for preauthorizing credit card transactions wherein the customer's credit card number, vendor ID code and transaction amount are provided to a network authorization system for authorization
- Shkedy discloses a system and method wherein buyers and sellers are identified using biometrics and a central controller is used to process transactions
- Linehan discloses a four party credit/debit payment protocol wherein consumers are identified using biometrics and wherein a issuer gateway processes the transactions.

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10. Any inquiry concerning this communication or earlier communications from the examiner should be directed to John Hayes whose telephone number is (703)306-5447. The examiner can normally be reached Monday through Friday from 5:30 to 3:00.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Jim Trammell, can be reached on (703) 305-9768.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is (703) 308-1113.

Any response to this action should be mailed to:

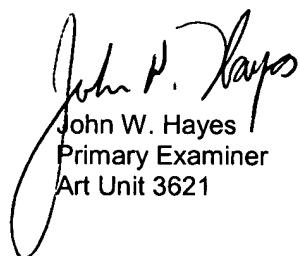
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or faxed to:

**(703)305-7687** [Official communications; including  
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**(703) 746-5531** [Informal/Draft communications, labeled  
"PROPOSED" or "DRAFT"]

Hand delivered responses should be brought to Crystal Park 5, 2451 Crystal Drive, Arlington, VA, 7<sup>th</sup> floor receptionist.



John W. Hayes  
Primary Examiner  
Art Unit 3621

April 25, 2003